GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4126
ANSWERED ON:07.08.2014
SICK CLOSED UNITS OF NJMC
Trivedi Shri Dinesh

Will the Minister of TEXTILES be pleased to state:

(a) the number of jute mills in the country and the number out of which under the control and management of National Jute Manufacturers Corporation (NJMC) Limited including the number of workers employed therein, State-wise;

(b) the quantum of jute products procured and profit earned/loss incurred by each unit of NJMC during each of the last three years and the current year;

(c) the details of the mills under NJMC which are sick or closed/being closed and the reasons therefor;

(d) whether the Government proposes to revive the sick/closed units of NJMC; and

(e) if so, the details thereof including the revival package granted by the Government for the purpose and the time by which these sick/closed units are likely to be revived?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a): A total of 83 jute mills are there in the country out of which 6 jute mills are under the control and management of National Jute Manufacturers Corporation Limited (NJMC). In NJMC, 1831 workers are engaged in West Bengal and 972 in Bihar.

(b): The quantum of Jute products produced and loss incurred by NJMC during 2011-12 and 2012-13 is as under:-

Year	Jute Products produced (in Metric Tons)	Loss (In Rs crore)
2012-2013	9379	16.00
2011-2012	4886	38.21

The figures for the year 2013-14 and 2014-15 are not yet audited.

(c): As per the revival scheme sanctioned by Board for Industrial & Financial Reconstruction (BIFR), 3 mills of NJMC, namely, Khardah, Kinnison and RBHM have to be revived and the remaining 3 mills, namely, Alexandra, National and Union have to be closed

(d) & (e): Yes, Madam. With the approval of the Government and after the sanctioning of the Revival Scheme of Rs 1562.98 crores, by the Board for Industrial & Financial Reconstruction (BIFR), the 3 units of NJMC namely Khardah and Kinnison in West Bengal and RBHM in Katihar, Bihar are under revival. The salient features of the revival package are:-

(i) NJMC shall run 3 mills (Kinnison & Khardah in W.B. and RBHM in Bihar) by itself and close 3 mills (National, Alexandra & Union in W.B.) at a total cost of Rs 1562.98 Crore comprising of payment of VRS and arrear liability to all employees of Rs.645.07 Cr., payment of liabilities and provisions for funds for implementation of Rs. 702.21 Cr. and modernizations and start up expenses of Rs 215.70 Cr.

ii) Fresh interest free loan of Rs. 483.60 Cr. from GOI, to be refunded by NJMC through sale of assets of its mills.
iii) After complete modernization at a cost of Rs 215.70 Crore, the installed capacity will be 305 MT/day.

iv) Net worth is expected to be positive in the 6th year i.e. 2015-16.

v) Settlement of Officers VRS under composite package

vi) Engagement of workforce under contract basis initially till the modernisation is complete.

As per the approved revival scheme, the revival has been initiated.